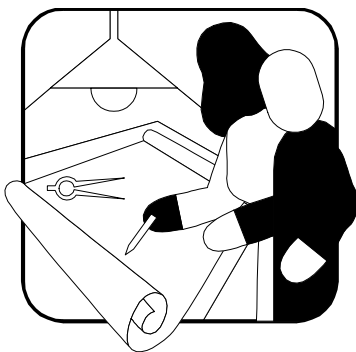
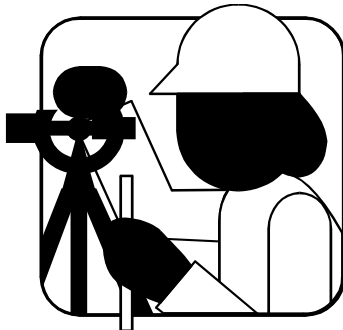




**US Army Corps
of Engineers.**

**EP 715-1-4
31 December 2002**

Competing for Architect-Engineer Contracts Awarded by the U.S. Army Corps of Engineers



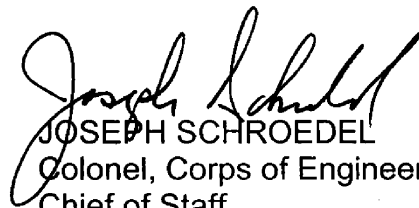
USACE And The A-E Industry: Partners Serving The Nation

FOREWORD

The U.S. Army Corps of Engineers (USACE), through its staff and contractors, provides quality, responsive engineering and construction services to the Army and the Nation. USACE missions include civil works, military construction, environmental restoration and support to other agencies. The civil works program encompasses flood control, navigation, shore erosion, and recreation facilities. The military construction program supports the Army, most of the Air Force, and certain other Department of Defense (DoD) agencies. USACE performs environmental restoration work for the Army, DoD, Environmental Protection Agency, Department of Energy and several other agencies. USACE also provides design and construction management services for non-DoD Federal agencies, state and local governments, and foreign governments.

A majority of the planning, engineering, design and surveying and mapping services for these programs is acquired by contract with private architect-engineer (A-E) firms. USACE is one of the largest Federal procurers of A-E services. This pamphlet describes the USACE policies and procedures for the procurement of A-E services, and how A-E firms can compete for USACE A-E contracts.

FOR THE COMMANDER:



JOSEPH SCHROEDEL
Colonel, Corps of Engineers
Chief of Staff

USACE ORGANIZATION

USACE is a highly decentralized organization. Headquarters, USACE, located at 441 G Street, N.W., Washington, D.C. 20314-1000, is responsible for formulating Corps policies, allocating resources, and overseeing the execution of all programs. The public announcement of requirements for A-E services, the selection of firms, and the negotiation and administration of contracts is performed by districts and centers located throughout the United States and overseas. Appendix A lists all USACE offices that contract for A-E services. The location and boundaries of all USACE offices can be found on the USACE Internet home page (<http://www.usace.army.mil/>); click on "Where We Are."

BROOKS ARCHITECT-ENGINEER ACT

A-E services required by Federal agencies are procured under the Brooks A-E Act (see Appendix B) and the procedures in Part 36 of the Federal Acquisition Regulation (FAR).¹ The Brooks Act requires the public announcement of requirements for A-E services (with some exceptions provided by other statutes); selection of the most highly qualified firms based on demonstrated competence and professional qualifications; and the negotiation of a fair and reasonable price, starting with the highest qualified firm. Hence, the selection of A-E contractors is focused on qualifications, and not the lowest price.

FAR 36.601-4(a) describes A-E services as:

"(1) Professional services of an architectural or engineering nature, as defined by applicable State law, which the State law requires to be performed or approved by a registered architect or engineer.

"(2) Professional services of an architectural or engineering nature associated with design or construction of real property.

"(3) Other professional services of an architectural or engineering nature or incidental services thereto (including studies, investigations, surveying and mapping, tests, evaluations, consultations, comprehensive planning, program management, conceptual designs, plans and specifications, value engineering, construction phase services, soils engineering, drawing reviews, preparation of operating and maintenance manuals and other related services) that logically or justifiably require performance by registered architects or engineers or their employees.

"(4) Professional surveying and mapping services of an architectural or engineering nature. Surveying is considered to be an architectural and engineering service and shall be

¹ Appendix C is a list of relevant Internet addresses, including the FAR, and the Defense, Army, and Corps of Engineers supplements to the FAR.

procured pursuant to § 36.601 from registered surveyors or architects and engineers. Mapping associated with the research, planning, development, design, construction, or alteration of real property is considered to be an architectural and engineering service and is to be procured pursuant to § 36.601..."

FAR 36.601-4(b) limits the award of A-E contracts to firms (individual, partnership, corporation, association, or other legal entity) permitted by law to practice the professions of architecture or engineering.

FAR 36.601-3 instructs the contracting officer to follow A-E procurement procedures "if the statement of work, substantially or to a dominant extent, specifies performance or approval by a registered or licensed architect or engineer."

Specific USACE procedures for A-E contracting, which implement the Brooks A-E Act and the FAR and its supplements, are described in Engineer Pamphlet 715-1-7, Architect-Engineer Contracting. This regulation is available on the Internet (see Appendix C).

Design-build contracts, where one contractor is responsible for both the design and the construction of a project, are not procured under the Brooks A-E Act. They are procured as construction contracts since the primary end product is a constructed facility, with design being incidental to the construction. Typically in design-build contracts, A-E firms are joint-venture partners with, or subcontractors to, construction contractors.

STANDARD FORMS 254 AND 255

Standard Forms (SF) 254 and 255² are used by A-E firms to submit their professional qualifications to Federal agencies. Copies of these forms can be purchased from the Government Printing Office. These forms can also be filled in and downloaded at no cost from the General Services Administration website on the Internet (see Appendix C). Also, many commercial vendors provide software that facilitates preparation of these forms. Appendix D provides suggestions for preparing SFs 254 and 255.

SF 254, "Architect-Engineer and Related Services Questionnaire," provides basic information about the capabilities and experience of a firm and is not specific to a contract. A firm may submit a SF 254 at any time. Multi-office firms should submit a separate SF 254 for each branch office and one for the total firm. The address for filing is:

U.S. Army Engineer District, Portland
ATTN: CENWP-CT-I
P.O. Box 2946
Portland, Oregon 97208-2946

² SF 330, Parts I and II, will replace SFs 254 and 255 in 2003. The change will be published in the Federal Register.

Telephone: 503-808-4590 or 4591
Facsimile: 503-808-4596

The SF 254 data will be entered into the Architect-Engineer Contract Administration Support System (ACASS) database³ and the firm will be assigned an ACASS identifier number. A printout will be returned to the A-E firm for data verification. Once entered into ACASS, the SF 254 data will be available to all USACE offices as well as other DoD and Federal agencies. A firm should submit an updated SF 254 annually, or more frequently if its qualifications have significantly changed. A firm, and each joint venture partner and each subcontractor, must have a current SF 254 on file in ACASS, or submit one in response to the public announcement, to be considered for selection for an A-E contract.

SF 255, "Architect-Engineer and Related Services Questionnaire for Specific Project," provides the qualifications of the prime firm or joint venture partners, and any subcontractors, for a specific project. A SF 255 is submitted to an agency (not to ACASS) in response to the agency's public announcement seeking specific A-E services.

ANNOUNCING REQUIREMENTS FOR A-E SERVICES

Except for certain authorized exceptions such as overseas, classified, non-appropriated fund, or urgent projects, all requirements for A-E services are publicly announced by one of the following two methods, depending on the contract amount:

FedBizOpps - Contracts over \$25,000 are announced (synopsized) on the Federal Business Opportunities website (<http://www.fedbizopps.gov/>). The FedBizOpps website can be searched by agency, type of work, geographic area, time period and other parameters. FedBizOpps also offers automatic e-mail notification for announcements meeting specific parameters. Firms are given at least 30 days to respond (except a shorter time period is permissible for contracts of \$100,000 or less). Requirements for A-E services are listed under Service Code C, except that surveying and mapping requirements are listed under Service Codes R and T.

Local Announcement - Contracts of \$25,000 or less may be announced on the Internet website and/or public bulletin board of the local contracting office for at least 10 days.

³ ACASS is an automated database of A-E qualifications (SFs 254), DoD A-E contract awards, and A-E performance evaluations. It is DoD-wide system that is maintained and operated by the Contractor Appraisal Information Center (CAIC) in the Contracting Division of the Portland District, Corps of Engineers. ACASS is primarily used by DoD agencies, but other Federal agencies may transmit evaluations to ACASS and access information in the system. Appendix Q of EP 715-1-7 has more information on ACASS.

The public announcement by either of the above methods includes a brief description of the project, the scope of A-E services, the selection criteria (in order of importance), the submission instructions and a point of contact. The announcement will instruct firms to submit a SF 255 and possibly a SF 254, even if one is already on file in ACASS. Typically, firms will be instructed to summarize their Design Quality Management Plan in Block 10 of the SF 255, which is an important consideration in selection.

The public announcement provides all of the information firms require to prepare their SF 255; solicitation packages are not provided. Contracting offices will answer routine questions about the submission instructions, but firms should not request additional technical information about the project or required qualifications. The public announcement is not a request for price proposal and firms should not submit any price-related information with their SF 255.

In addition to the required public announcements, many USACE offices also publish contract opportunities on their Internet websites. All USACE offices can be accessed on the Internet through the USACE homepage, which is listed in Appendix C.

In order to be eligible for a DoD contract award, a firm must register in the DoD Central Contractor Registration (CCR) system. The Internet address for the CCR is listed in Appendix C. The public announcement will usually provide instructions on CCR requirements. One of the primary uses for the CCR data is to make electronic payments to contractors.

SELECTION CRITERIA

FAR 36.602-1 sets the general selection criteria for A-E contracts as follows:

"(1) Professional qualifications necessary for satisfactory performance of required services;

"(2) Specialized experience and technical competence in the type of work required, including, where, appropriate, experience in energy conservation, pollution prevention, waste reduction, and the use of recovered materials;

"(3) Capacity to accomplish the work in the required time;

"(4) Past performance on contracts with Government agencies and private industry in terms of cost control, quality of work, and compliance with performance schedules;

"(5) Location in the general geographical area of the project and knowledge of the locality of the project; provided, that application of this criterion leaves an appropriate number of qualified firms, given the nature and size of the project; and

“(6) Acceptability under other appropriate evaluation criteria.”

The Defense FAR Supplement (DFARS) 236.602-1(a)(6) supplements the FAR and specifies additional selection criteria for DoD. In particular, DoD agencies must:

(1) "Consider the volume of work awarded by DoD during the previous 12 months. In considering equitable distribution of work among A-E firms, include small and small disadvantaged business firms and firms that have not had prior DoD contracts,"

(2) "Consider as appropriate superior performance evaluations on recently completed DoD contracts," and

(3) "Consider the extent to which potential contractors identify and commit to small business and to small disadvantaged business, historically black college and university, or minority institution performance of the contract, whether as a joint venture, teaming arrangement, or subcontractor."

The DFARS emphasizes that "the primary factor in A-E selection is the determination of the most highly qualified firm," and that secondary criteria should not be given greater significance than technical qualifications and past performance. The secondary criteria in DoD are geographic proximity, equitable distribution of work and extent of participation of small and disadvantaged businesses. DFARS further states "do not reject the overall most highly qualified firm solely in the interest of equitable distribution of contracts." Price or any cost-related factors, such as overhead or labor rates, are not considered in the selection of A-E firms.

SELECTION PROCEDURE

The evaluation process is conducted by formally constituted preselection (optional) and selection boards at the USACE district or center. Board members are highly qualified professional employees having experience in architecture, engineering, construction and acquisition, and the specific type of work being contracted. The using agency or customer is usually invited to participate on the evaluation board(s) for its project.

A preselection board, if held, evaluates the SFs 254 and 255 and performance evaluations of all firms responding to the public announcement using the published selection criteria. The preselection board then develops a list of highly qualified firms (typically 6-12). Highly qualified firms are those that have a reasonable chance of being considered as most highly qualified by the selection board. Secondary criteria are not applied by a preselection board.

The selection board evaluates the SFs 254 and 255 and performance evaluations of the highly qualified firms using the primary selection criteria and develops a list of at least three most highly qualified firms, in order of preference. If a preselection board was not held, the

initial phase of a selection board is conducted similar to a preselection board.

When evaluating firms, the boards are especially concerned with the following factors:

- Does the prime firm and its subcontractors have adequate depth in all required disciplines?
- Are the key personnel degreed and registered in their disciplines and do they have pertinent experience in the required type of work?
- Does the prime firm and its subcontractors have experience in the required work?
- Has the proposed team successfully worked together on similar projects?
- Are the responsibilities of all team members clear?
- Does the prime firm and its subcontractors have established quality management programs?
- What is the past performance record of the prime firm and its subcontractors? The boards review the evaluations in ACASS and any other credible sources. Appendix R of EP 715-1-7 explains how past performance is considered.

The selection board conducts interviews (referred to as “discussions” in the Brooks A-E Act) with the most highly qualified firms prior to ranking them. The firms are asked similar questions about their experience, capabilities, organization, quality management procedures, and approach for the project. For most projects the interviews are conducted by telephone. However, for very significant projects, the selection board may request that firms make in-person presentations. The secondary criteria are only applied as a “tie-breaker,” if necessary, in ranking the most highly qualified firms after the interviews.

A selection board report is presented to the selection authority for approval. For most contracts, the district or center commander or deputy commander is the selection authority.

NOTIFICATION AND DEBRIEFING OF UNSUCCESSFUL FIRMS

All firms who responded to a public announcement are notified of their selection status within 10 days after approval of the selection board report. If a procurement is canceled, notices are promptly sent to all firms that responded to the announcement. Also, if a procurement is significantly delayed, notices are sent to all firms still under consideration.

A firm may request a debriefing on why it was not selected. The firm must request the debriefing in writing or electronically within 10 days after its receipt of selection notification. The debriefing will be conducted by the selection board chairperson or his/her designee. The debriefing may be by telephone or in-person, as mutually agreed between the firm and the Corps debriefer, and usually within 14 days of the request. A firm will be advised of all significant weak or deficient factors in their qualification submission for that particular project, which will enable the firm to better compete for future similar contracts. Specific qualifications of other firms will not be discussed. SFs 254/255 for other firms are exempt from release under the Freedom of Information Act.

CONTRACT NEGOTIATIONS

Contract negotiations are conducted in accordance with FAR Subparts 15.4 and 36.6. Negotiations are initiated first with the highest qualified firm. The firm is provided a statement of work (SOW), project information and design criteria. One or more preproposal conferences are usually held (often at the project site) to discuss and refine the SOW and project requirements. The firm then prepares and submits a price proposal as instructed. At the same time, the Government prepares an independent cost estimate.

After careful evaluation of the proposal by the Corps, which may include an audit for larger contracts, negotiations will be initiated. If a "mutually satisfactory contract cannot be negotiated" (FAR 36.606(f)), negotiations are initiated with the firm ranked next on the approved selection report. This procedure would continue until a mutually satisfactory contract has been negotiated and awarded by the contracting officer. For most projects, the firm will be required to submit for USACE approval a Design Quality Control Plan showing specifically how it will manage, coordinate and review the work.

CONTRACT TYPES

Two contract types are principally used in USACE for A-E services: firm-fixed-price (FFP) contracts and indefinite delivery contracts (IDCs). (Contract types are covered in FAR Part 16.) FFP contracts are used for moderate-to-large size projects when the SOW can be reasonably defined during negotiations. A FFP contract is an agreement to pay a certain price for specified services and products. Monthly progress payments are made based upon satisfactorily completed work.

IDCs are typically used for small-to-moderate size projects when procurement of the A-E services by separate FFP contracts would be uneconomical or untimely. Work is accomplished by individually negotiated task orders, which are usually FFP. Typically, contracts do not exceed \$3,000,000, although larger contracts can be authorized by HQUSACE. Contracts usually include a base year and two one-year option periods, but longer contracts may be approved by HQUSACE if appropriate. Option periods are exercised at the discretion of the Government if there is a need for continued services and the A-E firm has performed satisfactorily.

An IDC consists of negotiated rates for all anticipated labor disciplines, overhead, tests, supplies, travel, and, in some cases, profit. These contract rates are then used in pricing individual task orders. Monthly progress payments are also made based upon completed work for each order. The minimum guarantee is 2% of the contract amount for the base period and 1% of the contract amount for each option period.

Cost-reimbursement, labor-hour and letter contracts may also be used when appropriate.

OVERSEAS CONTRACTS

Some A-E contracts are awarded by USACE offices located outside of the United States. The procedures for awarding such contracts depend on local laws and international agreements. A-E firms interested in doing overseas work for USACE should contact the appropriate USACE contracting office listed in Appendix A.

SMALL BUSINESS UTILIZATION PROGRAMS

A policy of the Government is to place a fair portion of its acquisitions with various small businesses (SB) and to encourage subcontracting to small businesses. The following programs support this policy in USACE. Also see Appendix J of EP 715-1-7 for a detailed discussion of the small business program.

Small Business and SB Set-Asides

A SB A-E firm must have average annual receipts over the past 3 years of no more than \$4,000,000 (for most types of A-E services). Under certain conditions a contract may be set aside for competition by SB firms only. A public announcement will clearly state if a project is set aside for SB.

SB set-asides for A-E services are governed by the Small Business Competitiveness Demonstration Program (SBCDP), which monitors the ability of SB firms to compete successfully with larger businesses, without the use of set-asides. Under the SBCDP, if at least 40% (measured in dollars) of all A-E contract awards in a 12-month period are made to small businesses, then A-E contracts are not set aside for SB. However, when awards to SB firms fall below 40%, DoD may direct that SB A-E set-asides be reinstated (except for contracts of \$85,000 or more for military construction or family housing which are exempt by statute).

Small Disadvantaged Businesses and Set-Asides

A Small Disadvantaged Business (SDB) is a SB that is at least 51% owned and controlled by one or more individuals who are socially and economically disadvantaged. SDB set-asides of A-E contracts are not currently authorized in DoD, except under the 8(a) program, which is discussed below.

8(a) Program

An 8(a) firm is a SDB that is certified by the Small Business Administration (SBA) in its Section 8(a) program. A-E contracts of any amount and for any program may be awarded to an 8(a) firm. Public announcement is not required, but a selection board is still held. A sufficient number of 8(a) firms must be considered to ensure adequate competition. The SBA can recommend 8(a) firms to USACE contracting offices, or 8(a) firms can "self-

market" directly with USACE offices. The highest qualified firm is requested to submit a price proposal, and negotiations are initiated. Agreement must be at a fair market price.

Subcontracting

An A-E contract over \$500,000 that is awarded to a large business must include a subcontracting plan that provides maximum practicable opportunities for SB and SDB subcontracting. Subcontracting plans are negotiated and must be approved by the contracting officer prior to contract award. A prime firm must report on compliance with its subcontracting plan during performance of the contract.

Deputy for Small Business

Each USACE command has a Deputy for Small Business to promote the utilization of SB and SDB contractors. Additional information on the above programs can be obtained from any Deputy for Small Business. Their phone numbers are provided in Appendix A.

CONTRACT PERFORMANCE

A-E firms hired by USACE are expected to provide high quality services, on time and on budget. The USACE technical staff may provide considerable assistance to the A-E firm in interpreting the SOW, clarifying design criteria, and accessing the project site. There will be review submissions and progress meetings at various phases of a project. However, the A-E firm remains "responsible for the professional quality, technical accuracy, and the coordination of all designs, drawings, specifications, and other services furnished" (FAR 52.236-23). Also, the A-E firm must "accomplish the design ... at a price that does not exceed the estimated construction contract price as set forth" in the contract or must redesign the project at no additional cost to the Government (FAR 52.236-22).

PERFORMANCE EVALUATIONS

Past performance is a very critical consideration in the selection of firms for A-E contracts. FAR 36.604 requires the preparation of performance evaluations for A-E contracts of more than \$25,000. In USACE, performance evaluations are also prepared for each IDC task order over \$25,000. A performance evaluation is prepared after the completion of the design or engineering services, and after the completion of construction, when applicable. All evaluations of A-E contracts performed for DoD agencies are maintained in ACASS for a period of 6 years as required by FAR 36.604. A firm is promptly provided a copy of its completed evaluation by the Corps office managing the contract. A firm should contact the Corps' project manager or contracting officer if it does not receive an evaluation within 60 days of completing a project.

DD Form 2631 is used for preparation of the performance evaluation. During contract negotiations, a firm will be provided a blank copy of this form so that it understands how it

will be evaluated. The evaluation considers both the quality of the individual disciplines and overall contract performance, such as meeting cost limitations, accuracy and coordination of plans and specifications, and design constructibility. There are five overall rating levels, ranging from “exceptional” to “unsatisfactory.” A firm may appeal a proposed rating of “marginal” or “unsatisfactory” to a higher level in USACE. If a firm does receive a final rating of “marginal” or “unsatisfactory,” it should address in future submittals what it has done to improve its performance.

A firm may request copies of its performance evaluations in ACASS by writing a letter on company letterhead to the Contractor Appraisal Information Center at the address shown on page 2. The request letter may be sent by facsimile. Include the firm’s phone number and e-mail address in the request letter. Include the following statement if the firm is willing to receive the evaluations electronically: "I am aware that unauthorized third parties may intercept electronically transmitted data. I am willing to accept full responsibility for that risk, and will not hold the US Army Corps of Engineers liable in the event of unauthorized interception. Please e-mail the requested firm information to me."

SUMMARY

To improve your chances of being awarded a contract for A-E services with USACE:

- Maintain long-term partnerships with highly qualified consultants and joint venture partners.
- Actively participate in industry and professional organizations to keep up with the state-of-the-art and market trends.
- Keep your SF 254 current and on file in ACASS.
- Visit USACE districts and centers to find out what services they need and what they expect.
- Track what is happening in USACE via the Internet.
- Know the Federal acquisition system.
- Read the FedBizOpps regularly.
- Enroll in the Central Contractor Registration system.
- Carefully put together a SF 255 package that thoroughly, concisely and clearly addresses all of the requirements in the public announcement.
- Get a thorough debriefing on why you were not selected for a contract. Then, improve your qualifications accordingly for the next contract.
- If you are awarded a contract, provide high quality and responsive services.
Earn an exceptional performance evaluation!

Good luck!